

The City Manager called attention to Citizen's Appreciation Day which will be held on Saturday, May 6, 2006, from 10:00 a.m. to 3:00 p.m., at Valley View Mall and encouraged the Members of Council to attend the event.

There being no further business, at 11:35 a.m., the Mayor declared the Council meeting in recess until Thursday, May 11, 2006, at 2:00 p.m., in the City Council Chamber, for the purpose of considering measures to adopt the City of Roanoke's 2006-2007 fiscal year budget, the City's real estate tax rate, and tax rate increase(s).

The Council of the City of Roanoke reconvened on Thursday, May 11, 2006, at 2:00 p.m., in the City Council Chamber, Room 450, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, with Mayor C. Nelson Harris presiding.

PRESENT: Council Members M. Rupert Cutler, Sherman P. Lea, Brenda L. McDaniel, Brian J. Wishneff and Mayor C. Nelson Harris-----5.

ABSENT: Vice-Mayor Beverly T. Fitzpatrick, Jr., and Council Member Alfred T. Dowe, Jr.-----2.

The Mayor declared the existence of a quorum.

OFFICERS PRESENT: Darlene L. Burcham, City Manager; William M. Hackworth, City Attorney; Jesse A. Hall, Director of Finance; and Mary F. Parker, City Clerk.

The invocation was delivered by Mayor Harris.

The Pledge of Allegiance to the Flag of the United States of America was led by Mayor Harris.

BUDGET: The Mayor advised that the purpose of the meeting was to adopt measures enacting the City of Roanoke's 2006-2007 fiscal year budget real estate tax rate, and cigarette tax increase.

BUDGET: The Director of Finance submitted a Certificate of Funding certifying that in accordance with paragraphs (h) and (i) of Section 25.1 of the Charter of the City of Roanoke, funds required for the 2006 - 2007 General Fund, Civic Facilities Fund, Parking Fund, Market Building Fund, Department of Technology Fund, Fleet Management Fund, Risk Management Fund, School Fund, School Food Services Fund, and Grant Fund budgets will be available for appropriation.

The Director of Finance advised that to date the State budget has not been adopted; a number of revenue estimates included in the recommended City's budget which is presently before the Council for adoption include revenues to be provided by the State; approximately 20 to 25 percent of the City's revenue source is derived from the State, therefore, should the State significantly change any revenues committed to the City in the proposed budget, Council will be requested to approve the necessary adjustments to the fiscal year 2006-2007 budget.

Without objection by Council, the Mayor advised that the Certificate of Funding would be received and filed.

PARKS AND RECREATION-FEE COMPENDIUM-LIBRARIES: The City Manager submitted a communication advising that in developing the budget for fiscal year 2006-2007, City departments were requested to look at fee structures and, where feasible, to propose fee schedule (compendium) changes that focus on recovering the cost of providing services.

It was further advised that the recommended fiscal year 2006-2007 budget incorporates proposed fee structure changes for copy charges, EMS Fee Structure and initiation of a Best Seller Book Rental program.

It was explained that currently, the charge for copies is \$0.05 per page or impression; and to fully recover the cost of making copies, the proposed amendment will result in the following structure:

Paper Size	Color Copy	Black and White Copy
8 1/2 x 11 (letter)	\$0.20 per impression	\$0.10 per impression
8 1/2 x 14 (legal)	\$0.25 per impression	\$0.15 per impression
11 x17	\$0.30 per impression	\$0.20 per impression

The City Manager advised that currently, EMS fees for Basic Life Support Emergency (\$280.00), Advanced Life Support Emergency (\$330.00), and Advanced Life Support Level 2 (\$475.00) are below the maximum allowed by Medicare; and an amendment to the fee structure will result in changing the following amounts:

	Proposed
Basic Life Support (BLS) Emergency	\$300.00
Advanced Life Support (ALS) Emergency	\$360.00
Advanced Life Support (ALS) Level 2	\$550.00

It was noted that the Roanoke Public Library System will initiate a program to provide additional best seller books earlier to patrons who do not wish to wait for a book to become available; and the cost to patrons will be \$2.00 per book per week.

The City Manager recommended that Council adopt the appropriate measures and amend the City's Fee Schedule (Compendium) to reflect the above referenced fee changes, effective July 1, 2006.

Council Member Cutler offered the following resolution:

(#37378-051106) A RESOLUTION amending the City's Fee Compendium imposing fees for accessing, duplicating, supplying, or searching for requested public records and copy charges within all City Departments; and providing for an effective date.

(For full text of resolution, see Resolution Book No. 70, Page 275.)

Council Member Cutler moved the adoption of Resolution No. 37378-051106. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

Council Member Cutler offered the following resolution:

(#37379-051106) A RESOLUTION amending the City's Fee Compendium imposing certain fees for the provision of certain emergency medical services; and providing for an effective date.

(For full text of resolution, see Resolution Book No. 70, Page 276.)

Council Member Cutler moved the adoption of Resolution No. 37379-051106. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

Council Member Cutler offered the following resolution:

(#37380-051106) A RESOLUTION establishing certain fees for the rental of best seller books from the City's libraries; and providing for an effective date.

(For full text of resolution, see Resolution Book No. 70, Page 277.)

Council Member Cutler moved the adoption of Resolution No. 37380-051106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS None-----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

BUDGET-CITY CODE-TAXES: The City Manager submitted a communication advising that given the fact that for the past few years, City assessments on real estate have increased at a rate above normal, consideration for a reduction in the real estate tax rate was referred to fiscal year 2006-2007 budget study; the increase in real estate tax rate assessments in recent years has been driven by the healthy real estate market; property sales have been positively impacted by low interest rates which attract borrowers; and Roanoke's assessment growth of recent years is consistent with real estate trends nationwide.

It was further advised that a reduction in the real estate tax rate from \$1.21 to \$1.19 per \$100.00 of assessed value is proposed; the proposed reduction of \$0.02 will result in a revenue reduction of approximately \$1,134,000.00; and to achieve revenue neutrality and to mitigate the impact of funding provided to Roanoke City Public Schools via the current funding formula, an increase in the cigarette tax of \$.0135 per cigarette (\$0.27 per 20 pack) is proposed, which will result in additional revenue of approximately \$1.5 million, of which approximately \$1.1 million will be used to offset the real estate tax rate reduction and the balance of \$.4 million will be used to provide debt service for a bond issuance of \$5 million for curb, gutter, sidewalks and bridge renovation.

The City Manager recommended that Council adopt an ordinance amending Section 32-16 of the City Code reducing the real estate tax rate from \$1.21 to \$1.19 per \$100.00 of assessed value, effective July 1, 2006; and adopt an additional ordinance amending Section 32-190 of the City Code to increase the cigarette tax from \$.0135 per cigarette to \$.027 per cigarette, effective July 1, 2006.

Council Member Cutler offered the following ordinance:

(#37381-051106) AN ORDINANCE amending §32-16, Levied; rate, Code of the City of Roanoke (1979), as amended, to provide for reduction of the real estate tax rate from \$1.21 on every one hundred dollars of fair market value to \$1.19 on every one hundred dollars of fair market value; providing for an effective date; and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 278.)

Council Member Cutler moved the adoption of Ordinance No. 37381-051106. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS None-----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

Council Member Cutler offered the following ordinance:

(#37382-051106) AN ORDINANCE amending and reordaining §32-190, Levied; amount, Code of the City of Roanoke (1979), as amended, to provide for an increase in the cigarette tax rate from \$.0135 per cigarette to \$.027 per cigarette; providing for an effective date of July 1, 2006, and dispensing with the second reading of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 275.)

Council Member Cutler moved the adoption of Ordinance No. 37382-051106. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS None-----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

BUDGET-CITY CODE-TAXES: The City Manager submitted a communication advising that the initial Elderly and Disabled Tax Relief Program for the City of Roanoke was made effective on July 1, 1989; since that time, several revisions have been made to the limits of the program, the latest of which was effective July 1, 2001; currently, the total combined annual household income threshold limit is \$30,000.00 and the net combined financial worth threshold, excluding the value of the primary residence, is \$100,000.00 for qualified real estate tax exemption; and given the fact that for the past few years, assessments on real estate have increased at a rate above normal, review of program eligibility guidelines was referred to fiscal year 2006-2007 budget study.

It was further advised that in evaluating revisions to eligibility guidelines, consideration was given to the change in the Consumer Price Index since the last revision to the guidelines; comparison was also made with regard to programs in place in Virginia's First Cities and in surrounding localities; and based on research, it is prudent to revise the total combined annual income threshold to \$34,000.00 and the net combined financial worth threshold to \$125,000.00.

The City Manager recommended that Council adopt an ordinance amending Section 32-86 of the City Code to increase the total combined annual income threshold to \$34,000.00 and to increase the net combined financial worth threshold to \$125,000.00 for qualification for real estate tax exemption for elderly and disabled persons for the tax year commencing July 1, 2007.

Council Member Cutler offered the following ordinance:

(#37383-051106) AN ORDINANCE amending and reordaining §32-86, Financial eligibility, Code of the City of Roanoke (1979), as amended, by adding a new subsection (g) increasing from \$30,000.00 to \$34,000.00 the total combined annual income threshold and increasing from \$100,000.00 to \$125,000.00 the net combined financial worth threshold for qualification for real estate tax exemption for elderly and disabled persons for the tax year commencing July 1, 2007; amending current subsection (g) of §32-86, Financial eligibility, to redesignate such subsection as subsection (h); and dispensing with the second reading of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 279.)

Council Member Cutler moved the adoption of Ordinance No. 37383-051106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

CITY MARKET-BUDGET-GRANTS-FLEET MANAGEMENT-ROANOKE CIVIC
CENTER-COMMUNICATIONS DEPARTMENT-RISK MANAGEMENT FUND-SCHOOLS:

Council Member Cutler offered the following budget ordinance:

(#37384-051106) AN ORDINANCE adopting the annual General, Civic Facilities, Parking, Market Building, Department of Technology, Fleet Management, Risk Management, School, School Food Services and Grant Funds Appropriations of the City of Roanoke for the fiscal year beginning July 1, 2006, and ending June 30, 2007; and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 279.)

Council Member Cutler moved the adoption of Ordinance No. 37384-051106. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None-----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

POLICE DEPARTMENT-BUDGET-FIRE DEPARTMENT-COMMITTEES-CITY
SHERIFF-CITY EMPLOYEES: Council Member Cutler offered the following ordinance:

(#37385-051106) AN ORDINANCE to adopt and establish a Pay Plan for officers and employees of the City, effective July 1, 2006; providing for certain salary adjustments and merit increases; authorizing annual salary increments for certain officers and employees for use of private motor vehicles; authorizing annual salary increments for sworn police officers assigned to the Criminal Investigation Division; authorizing annual salary increments for certain members of the Fire-Emergency Medical Services Department who are certified as Emergency Medical Technicians; authorizing annual salary increments for certain members of the Fire-Emergency Medical Services Department who are members of the Regional Hazardous Materials Response Team; authorizing annual salary increments for employees performing fire inspector duties; providing for continuation of a police career enhancement program; providing for continuation of a Firefighter/Emergency Medical Technician merit pay program; providing for a Community Policing Specialist program; providing for payment of a monthly stipend to certain board and commission members; providing for an increase in base annual salary for any employee of the Sheriff who meets the qualifications for and has been appointed Master Deputy Sheriff; repealing, to the extent of any inconsistency, Ordinance No. 37047-051005, adopted May 10, 2005; providing for the salaries of the City's Constitutional Officers; providing for an effective date; and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 281.)

Council Member Cutler moved the adoption of Ordinance No. 37385-051106. The motion was seconded by Council Member Lea and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

BUDGET-PENSIONS: The City Manager and the Director of Finance submitted a communication advising that retirees of the City of Roanoke Pension Plan (Plan) are awarded cost-of-living adjustments (COLAS) on an ad hoc basis by Council; the Plan does not include a provision for an automatic COLA due to the significant actuarial cost and related increase in contribution rates, thus, COLAS are not pre-funded in the Plan, but rather the increased cost is recognized when the increase has been awarded; factors considered as a part of the recommendation for a COLA include change in the Consumer Price Index, the amount of raises provided by similar Plans within the State, and most importantly, affordability to the Plan to assure that the Plan remains well funded to sustain the current level of benefits; and eligible members of the City of Roanoke Pension Plan received a 2.25% cost-of-living adjustment on July 1, 2005, which was the tenth consecutive COLA provided to eligible retirees.

It was further advised that all City employees are members of the Roanoke City Pension Plan (the Plan); the City's Plan, when compared to the State pension plan (The Virginia Retirement System) and other locality-sponsored Plans, provides above-average benefits; the City's plan also includes a provision for an additional supplement of \$3,105.00 (indexed) annually for employees with a minimum of 20 years of service; the supplement is intended to help offset the cost of health insurance and is paid until the retiree reaches age 65, the age of Medicare eligibility; additionally, the City sponsors a 457 Deferred Compensation Plan allowing employees the opportunity to save for retirement while reducing current taxable income; savings are enhanced by a City match of \$650.00 annually; and the City's pension plan, when coupled with the deferred savings plan and added to social security, provides a career employee with the opportunity to replace most of their pre-retirement income upon retirement.

It was explained that the required contribution rate for the pension plan to fund the current level of benefits will increase for fiscal year 2006 from 12.61 per cent to 15.11 per cent of payroll; the additional cost to the General Fund is approximately \$1,500,000.00; the rapidly rising increase in contribution rates is due to a combination of factors; a stock market downturn from 1999 to 2002 resulted in lesser investment returns for the Plan; additionally, significant enhancements were made to the Plan in 1999 and again in 2000; the above mentioned pension supplement was added to the Plan in 2001; the cumulative effect of granting annual COLAS adds significant cost to the Plan; and the combination of these factors has resulted in increasingly higher contribution rates to sustain the Plan.

It was stated that based on a poll of COLAS recommended, or to be recommended by other localities within the State, the Consumer Price Index and the City's ability to absorb increased funding to the Plan, a three per cent COLA appears to be reasonable; a recommended three per cent increase to eligible members of the Plan, effective July 1, 2006, will increase the average annual retirement allowance for eligible retirees by approximately \$382.00, or a total of an additional \$594,643.00 in annual benefits; the actuarial cost of a three per cent COLA is estimated at \$5.7 million funded over the next 20 years through the annual payroll contribution rate, which results in an increase of approximately \$378,000.00 in annual contributions to the Plan; all City operating funds, along with the Roanoke Regional Airport Commission, School Board, Roanoke Valley Resource Authority, Roanoke Valley Detention Commission, Western Virginia Water Authority, and the Commonwealth of Virginia will assume their pro rata cost for funding the COLA; and the City's pro rata share of the increase is approximately \$333,000.00 for fiscal year 2007.

It was explained that the recommended increase will apply to those retirees who retired on or before July 1, 2005, i.e., those retirees who have been retired for at least one year; approximately 1,555 of 1,634 retirees, or 95 per cent of those receiving benefits as of March 31, 2006, will be eligible for the increase; the increase will also apply to a member's or surviving spouse's annual retirement allowance; and the increase will not apply to any incentive payments made under the Voluntary Retirement Incentive Program established by Ordinance No. 30473-41591, adopted April 15, 1991, or to the retirement supplement paid according to Section 22.2-61 of the Code.

It was noted that a request was also referred to fiscal year 2006-2007 budget study to consider a supplemental allowance for health insurance for City retirees who are 65 years of age or older; the Plan currently provides a monthly supplement of 75 per cent of the amount of the health insurance supplement provided to active employees, or \$258.75, to retirees with at least 20 years of service until age 65; the supplement is provided to complement the pension allowance until Medicare eligibility and is responsible for a significant portion of the overall cost of the Plan; upon reaching Medicare eligibility, retirees are eligible to begin receiving both hospital and medical benefits; and a new drug benefit program began in January 2006, Medicare Part D, that assists with outpatient prescription drugs.

The City Manager and the Director of Finance recommended that Council adopt an ordinance granting a three per cent cost of living adjustment for eligible retirees; the related cost to the City will be approximately \$333,000.00 in additional contributions to the Plan; and due to the significant increase in contributions currently required to sustain the current level of benefits and to provide a COLA, any benefit changes such as the requested supplemental allowance for health insurance above noted that would result in additional funding requirements for the pension plan is not recommended.

Council Member Cutler offered the following ordinance:

(#37386-051106) AN ORDINANCE providing for certain supplemental benefits under the City of Roanoke Pension Plan to certain members of such Plan and certain of their surviving spouses; providing for an effective date; and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 283.)

Council Member Cutler moved the adoption of Ordinance No. 37386-051106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

BUDGET-CAPITAL IMPROVEMENTS PROGRAM: The City Manager submitted a communication advising that the Capital Improvement Program (CIP) for Fiscal Years 2007-2011 is a plan recommended for approval by Council for capital expenditures to be incurred over the next five years, in order to address the priority long-term capital needs of the City of Roanoke; the CIP reflects the current status of projects which have previously been approved and funded by Council, and is a revision to the Fiscal Years 2006-2010 Capital Improvement Program approved by Council on May 10, 2005; and the CIP also reflects all planned future debt issuance for projects included in the upcoming five year period.

It was further advised that on April 17, 2006, Council received the proposed Capital Improvement Program for Fiscal Years 2007-2011 as part of the Recommended Resource Allocation Plan; the Capital Improvement Program Summary Section in the document provides a summary of projects; the Capital Improvement Program for Fiscal Years 2007-2011 is comprised of capital projects, with an estimated cost of project completion totaling \$235,349,986.00; the CIP includes the addition of the Police Academy, Library Study, Streetscape Improvements, and Market District Plan projects; and also reflects additional funding for curb, gutter, sidewalks, and bridge renovation via debt issuance of \$5 million funded from an increase in the cigarette tax.

It was explained that adjustments have been made since the Recommended Resource Allocation Plan was presented; and adjustments reflect the following revisions to the Roanoke City Public Schools CIP which was adopted by the School Board on May 9, 2006.

- An increase in the cost of the high school renovation projects (Patrick Henry High School, \$1,375,000.00, and William Fleming High School, \$625,000.00). The increase in costs will be funded from School capital reserve (cash funds);
- A change in the timing of expenditures for the Patrick Henry High School renovation project;
- The addition of stadiums at Patrick Henry High School and William Fleming High School;
- Exclusion of elementary school renovation projects involving classroom additions;

- It should be noted that the School CIP contains a future issuance of \$2,000,000.00 in Virginia Public School Authority (VPSA) bonds for renovations at Raleigh Court Elementary School; this debt issuance is not included in the City's CIP as it is above the level of school debt agreed to when the cost of the high school renovation projects increased during FY 2003-2004; the School Board must request approval to add the issuance of this debt to the City's CIP.

It was noted that debt will be issued during fiscal year 2006-2007 for the following projects:

Patrick Henry High School	\$7,500,000.00
Elementary School Renovations	\$7,010,900.00
- Fallon Park	(\$1,160,900.00)
- Westside	(\$3,850,000.00)
- Monterey	(\$2,000,000.00)

The City Manager recommended that Council adopt a resolution endorsing the update to the CIP; and appropriate \$2,829,891.00 included in the FY 2006-2007 Transfer to Capital Projects Fund, Account No. 01-250-9310-9508, to the respective capital projects accounts established by the Director of Finance for the following projects:

- \$500,000.00 to Capital Project Account No. 08-530-9552 for Bridge Maintenance
- \$139,000.00 to Capital Project Account No. 08-530-9823 for Police Academy Construction and A&E
- \$49,820.00 to Capital Project Account No. 08-530-9736 for Stormwater Management
- \$310,000.00 to Capital Project Account No. 08-530-9575 for Transportation Projects
- \$430,896.00 to Capital Project Account No. 08-510-9620 for Roanoke River Flood Reduction
- \$100,000.00 to Capital Project Account No. 35-615-8119 for Home Investment Partnership Program Match
- \$300,000.00 to Capital Project Account No. 08-615-9862 for Market Rate Purchase Rehabilitation

- \$175,000.00 to Capital Project Account No. 08-615-9863 for Market Rate Mortgage Assistance
- \$100,000.00 to Capital Project Account No. 08-615-9864 for a Housing Initiatives Consultant
- \$100,000.00 to Capital Project Account No. 08-615-9867 for a Housing Pattern Book
- \$385,000.00 to Capital Project Account No. 08-530-9837 for Police Building Demolition
- \$50,673.00 to Capital Project Account No. 17-440-2642 for Fleet Replacement
- \$94,751.00 to Capital Project Account No. 13-430-1602 for Technology
- \$94,751.00 to Capital Project Account No. 08-440-9854 for Capital Building Maintenance

The City Manager further recommended that Council appropriate \$1,100,000.00 of residual equity from the close-out of Water and Sewer funds to:

- Roanoke Redevelopment and Housing Authority - Virginia Scrap Iron Virginia Remediation Program,
Account No. 08-310-9688 - \$100,000.00
- Riverside Centre – Streetscape,
Account No. 08-530-9838 - \$200,000.00
- Gateway Streetscape,
Account No. 08-530-9847 - \$100,000.00
- Downtown and Village Streetscape,
Account No. 08-530-9849 - \$300,000.00
- Market District Plan,
Account No. 09-310-8134 - \$200,000.00
- Code Enforcement Program,
Account No. 08-615-9868 - \$70,000.00
- Capital Project Contingency,
Account No. 08-530-9575 - \$130,000.00

Council Member Cutler offered the following resolution:

(#37387-051106) A RESOLUTION endorsing the update to the Capital Improvement Program submitted by the City Manager by letter of May 11, 2006.

(For full text of resolution, see Resolution Book No. 70, Page 284.)

Council Member Cutler moved the adoption of Resolution No. 37387-051106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

Council Member Cutler offered the following budget ordinance:

(#37388-051106) AN ORDINANCE to appropriate funding for the FY 2007-2011 Update to the Capital Improvement Program, amending and reordaining certain sections of the 2006-2007 General, Capital Projects, Market Building, Department of Technology, Fleet Management, and Grant Funds Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 288.)

Council Member Cutler moved the adoption of Ordinance No. 37388-051106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

BUDGET-Y.M.C.A.-GREENWAY SYSTEM: The City Manager submitted a communication advising that beginning in fiscal year 2002, the City of Roanoke committed to a \$2.0 million investment, to be paid in \$200,000.00 increments over a ten-year period to the Downtown Family YMCA; funds cover costs associated with the design and construction of a new central branch YMCA complex; and City residents will receive a discounted membership rate, which will allow them to visit any YMCA facility, including the facility in the City of Salem.

It was further advised that beginning in fiscal year 2002, the City of Roanoke also committed to contributing \$200,000.00 per year for ten years for a total of \$2.0 million to the Roanoke River Greenways project and greenways development; greenways have become a necessary commodity for communities across the United States since they are viewed as an essential amenity that encourages economic development; greenways connect people to various aspects of a community such as parks, shops, schools and neighborhoods; the City of Roanoke currently has several greenway projects underway in various stages of development, with a core design element to include connections to Roanoke's primary greenway artery, the Roanoke River Greenway; and significant progress has been made in the construction of the greenway system which includes the Mill Mountain Greenway, the Lick Run Greenway, the Murray Run Greenway and the Roanoke River Greenway.

The City Manager recommended that Council adopt an ordinance appropriating \$200,000.00 from the Economic and Community Development Reserve to the Downtown Family YMCA, Account No. 08-620-9757-9003, and appropriating \$200,000.00 from the Economic and Community Development Reserve to Greenways Development, Account No. 08-620-9753-9003.

Council Member Cutler offered the following budget ordinance:

(#37389-051106) AN ORDINANCE to appropriate funding from the Economic and Community Development Reserve for the YMCA Aquatic Center and the Greenways Development Projects, amending and reordaining certain sections of the 2006-2007 Capital Projects Fund Appropriations and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 290.)

Council Member Cutler moved the adoption of Ordinance No. 37389-051106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

BUDGET-ENTERPRISE ZONE: The City Manager submitted a communication advising that the new Virginia Enterprise Zone program was established by the General Assembly in 2005 through the Virginia Enterprise Zone Act; an Enterprise Zone is a geographically defined area designated by the Governor; the State and local government must enter into a ten year partnership to encourage business expansion and recruitment by offering both State and local incentives; the City of Roanoke currently has two zone boundaries, Zone 1A and Zone 2; the main difference is that the facade grant is available only in Zone 1A and maximum caps differ slightly for certain incentives; and the zones expire on December 31, 2023 for Zone 1A and on December 31, 2015, for Zone 2.

It was further advised that a requirement of designation is that the City of Roanoke must offer certain local incentives which were set forth in the original application and subsequent amendments approved by Council; and in order for the City of Roanoke to continue to offer local incentives as set forth in the designation application and subsequent amendments, an annual appropriation of funds is needed.

The City Manager recommended that Council adopt an ordinance transferring \$280,000.00 from the Economic and Community Development Reserve to the following accounts:

- Account No. 08-310-9630-9003, (Enterprise Zone Rebates) - \$100,000.00
- Account No. 08-310-97369003 (Enterprise Zone Facade Grants) - \$150,000.00
- Account No. 08-310-9738-9003 (Enterprise Zone Fee Grants) - \$30,000.00

Council Member Cutler offered the following budget ordinance:

(#37390-051106) AN ORDINANCE to appropriate funding from the Economic and Community Development Reserve for the Enterprise Zone Projects, amending and reordaining certain sections of the 2006-2007 Capital Projects Fund Appropriations, and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 289.)

Council Member Cutler moved the adoption of Ordinance No. 37390-051106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

BUDGET-HOUSING/AUTHORITY: The City Manager submitted a communication advising that in order to receive Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Shelter Grant (ESG) funding, the U. S. Department of Housing and Urban Development (HUD) requires that localities such as the City of Roanoke submit a five-year *Consolidated Plan (CP) and Annual Updates (AU)*; the City's current, HUD-approved five-year CP covers the period from July 1, 2005, to June 30, 2010, and was developed through an extensive process beginning in the spring of 2003; public participation in the CP included community representatives on the Plan's steering committee, public meetings to obtain community input, information disseminated to the Roanoke Neighborhood Advocates (RNA), information made available on the City's website, including the ability to provide comments through e-mail, information in the print media and announcements to a mailing list of more than 400 organizations and individuals.

It was further advised that in a letter dated March 31, 2006, Council Members received a summary version of the draft 2006-2007 Annual Update (AU) to the City's HUD Consolidated Plan, which included the tentative CDBG, HOME and ESG funding recommendations for fiscal year 2006-2007 and related information; comparable information was also provided to City Council on April 17, 2006, as part of the Recommended Resource Allocation Plan; as with the five-year CP, outreach to engage the public in the 2006-2007 AU process took several forms; public meetings were held on November 3, 2005 and March 30, 2006, as well as a City Council public hearing on April 27, 2006; those attending the March 30th meeting received the same summary version of the AU provided to City Council; the summary plan was made available on the City's website, with links to the full five-year plan and to allow e-mail comments on

the documents; the summary was also provided to RNA members and neighboring localities; letters to the mailing list provided information about upcoming meetings, how to obtain additional information and how to comment, and ads were placed in *The Roanoke Times* and *The Roanoke Tribune*; and copies of the complete draft 2006-2007 AU were placed at all library branches and the Law Library, the Roanoke Redevelopment and Housing Authority main offices, the City Clerk's Office and the Department of Management and Budget for public inspection for a 30-day period beginning April 4, 2006.

It was further advised that funding for fiscal year 2006-2007 will be available from the following sources:

New HUD Entitlements	\$2,665,532.00
Estimated New Program Income	455,431.00
Local HOME Match Funds	100,000.00
Estimated Prior Year Excess Program Income	365,000.00
Estimated Prior Year Carry-over	<u>144,515.00</u>
Total HUD Funds	\$3,730,478.00

To ensure that the City's HUD fiscal year begins on July 1, 2006, it was noted that HUD must receive the Annual Update by May 16, 2006.

The City Manager recommended that Council approve the 2006-2007 Annual Update, as abstracted in an attached summary, and that the City Manager, or her designee, be authorized to submit the complete Annual Update to HUD for final review and approval, including execution of all necessary documents pertaining thereto, such documents to be approved as to form by the City Attorney.

Council Member Cutler offered the following resolution:

(#37391-051106) A RESOLUTION approving the 2006-2007 Annual Update ("Annual Update") to the 2005-2010 Consolidated Plan and authorizing the City Manager, or the City Manager's designee, to submit the approved Annual Update to the United States Department of Housing and Urban Development ("HUD") for final review and approval, and authorizing the execution of all necessary documents pertaining to such Annual Update.

(For full text of resolution, see Resolution Book No. 70, Page 275.)

Council Member Cutler moved the adoption of Resolution No. 37391-051106. The motion was seconded by Council Member Lea.

Council Member Wishneff advised that he may, or may not, be retained by Kuumba Community Health & Wellness Center to search for a new location; therefore, he stated that he would abstain from voting on the abovereferenced resolution.

Resolution No. 37391-051106 was adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, and Mayor Harris-----4.

NAYS: None -----0.

(Council Member Wishneff abstained from voting.) (Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

BUDGET-CITY CODE-CITY EMPLOYEES: The City Manager submitted a communication advising that City employees who utilize their personal vehicles in the performance of City of Roanoke business are currently reimbursed at a rate of \$.325 per mile for the first 15,000 miles and \$.13 per mile for all additional miles over 15,000 per fiscal year; and the rate was approved by Council on July 3, 2000, when Council set the rate at the rate established from time to time by the Commonwealth of Virginia for reimbursing State employees for such purpose.

It was further advised that historically, the City of Roanoke has set its mileage reimbursement rate at the same level established by the Commonwealth of Virginia for State employees (as provided in the City Code), however, in consideration of the increase in the cost of motor fuels, it is recommended that the Internal Revenue Service standard mileage rate for reimbursement for business use be adopted by the City of Roanoke; the current Internal Revenue Service rate is \$.445 per mile; use of the Internal Revenue Service rate for mileage reimbursement results in the use of the Internal Revenue Service rate for meals, lodging and mileage; and sufficient funding is budgeted in departmental accounts for fiscal year 2007.

The City Manager recommended that Council authorize amendment of Section 2-35, "Use of Personal Automobile for City Business - Mileage Allowance", of the City Code, to establish that the City of Roanoke mileage reimbursement rate will be and subsequently remain at the same level as established from time to time by the Internal Revenue Service for reimbursement for business use.

Council Member Cutler offered the following ordinance:

(#37392-051106) AN ORDINANCE amending '2-35, Use of personal automobile for city business- Mileage allowance, of Article III, Officers and Employees, Chapter 2, Administration, of the Code of the City of Roanoke (1979), as amended, in order to link the mileage allowance paid to employees of the City for use of their personal vehicles on City business to the Internal Revenue Service's reimbursement rate per mile for business use; and dispensing with the second reading by title of this ordinance.

(For full text of ordinance, see Ordinance Book No. 70, Page 290.)

Council Member Cutler moved the adoption of Ordinance No. 37392-051106. The motion was seconded by Council Member McDaniel and adopted by the following vote:

AYES: Council Members Cutler, Lea, McDaniel, Wishneff and Mayor Harris-----5.

NAYS: None -----0.

(Vice-Mayor Fitzpatrick and Council Member Dowe were absent.)

On behalf of the Council, the Mayor expressed appreciation to City staff for developing a budget for the City of Roanoke that is both responsive and responsible. He stated that the 2007 fiscal year budget reduces the real estate tax rate by two cents, and the loss of revenue will be offset by an increase in the cigarette tax; and ten additional police officer positions are funded in the budget, as well as a number of other initiatives.

The City Manager was requested to review revisions to the fiscal year budget as a result of actions that were taken by the Council during budget study on Thursday, May 4, 2006.

The City Manager advised that the May 4 budget study session resulted in approximately \$80,000.00 of changes to the fiscal year 2007 budget. She stated that her original recommendation to reduce the appropriation to the Roanoke Valley Convention and Visitors Bureau budget by \$60,000.00 was later changed by the Council to a \$30,000.00 reduction, a contribution of \$1,000.00 was approved for the New Century Venture Center, a part-time position was authorized to monitor the condition of the escalator and the general condition of the walkway between The Hotel Roanoke and downtown Roanoke, as well as to respond to questions and provide direction to visitors, in the amount of \$17,000.00, and the Council reinstated additional Deputy Clerk II position to the budget of the Clerk of Circuit Court.

There being no further business, the Mayor declared the meeting adjourned at 2:30 p.m.

A P P R O V E D

ATTEST:

Mary F. Parker
City Clerk

C. Nelson Harris
Mayor
